

## **2005 DRAFTING REQUEST**

### **Bill**

Received: **11/11/2004**

Received By: **csundber**

Wanted: **As time permits**

Identical to LRB:

For: **Administration-Budget**

By/Representing: **Percy**

This file may be shown to any legislator: **NO**

Drafter: **csundber**

May Contact:

Addl. Drafters:

Subject: **Econ. Development - bus. dev.**

Extra Copies: **PJK**

Submit via email: **NO**

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### **Pre Topic:**

DOA:.....Percy, BB0087 -

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### **Topic:**

Streamlining the Wisconsin Development Fund

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### **Instructions:**

See Attached

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### **Drafting History:**

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?				_____			State
/P1	csundber 12/01/2004	wjackson 12/15/2004	rschluet 12/16/2004	_____	lnorthro 12/16/2004		State
/P2	csundber 01/11/2005	wjackson 01/11/2005	jfrantze 01/11/2005	_____	mbarman 01/12/2005		State
/P3	csundber 01/20/2005	wjackson 01/20/2005	rschluet 01/21/2005	_____	mbarman 01/21/2005		State
/P4	csundber 01/26/2005	wjackson 01/26/2005	jfrantze 01/26/2005	_____	lnorthro 01/26/2005		

FE Sent For:

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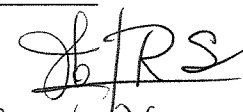
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/PA WLJ 1/26

Jb 1/26   
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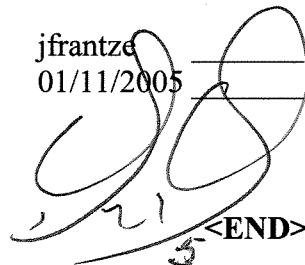
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/P3 WJ 1/20

  
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### Instructions:

See Attached

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FE Sent For:

/P2 WLj 1/11 Jb'11  
1/11  
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/?	csundber	/plwly 12/15					

FE Sent For:

  
<END>

Hanaman, Cathlene

**From:** Percy, Doug  
**Sent:** Thursday, September 30, 2004 3:21 PM  
**To:** Hanaman, Cathlene  
**Subject:** FW: Information on Commerce Stat. changes

Some additional information on the Commerce drafts.

-----Original Message-----

**From:** Williams, Landon  
**Sent:** Thursday, September 23, 2004 1:41 PM  
**To:** Percy, Doug  
**Cc:** Cornelius, Louie - COMM  
**Subject:** Information on Commerce Stat. changes

Doug,  
Here is some additional information regarding the statutory changes the Department is proposing to make under its budget request. If you have any questions, please let either myself or Louie Cornelius know.  
Landon

*DAF has given  
us permission  
to talk  
to  
Commerce*

*7-9382*

### Streamlining the WDF Statutes. High Priority

#### Current Law

Current law defines three programs for which WDF funds can be used including: Technology Development, Customized Labor Training and Major Economic Development. Statutory references: s. 560.16, 560.175, 560.60, 560.602, 560.605, 560.607, 560.61, 560.62, 560.63, 560.65, 560.66, 560.68, 560.685

#### Problem

The various statutorily defined programs each have their own restrictions and specifications for what factors to consider in awarding funds.

#### Proposal

The Department proposes to rewrite the statutes to define goals rather than programs. The statutes would be amended to eliminate references to certain programs, and would standardize reporting, eligibility and awarding criteria. Possible examples of goals would include: capital financing, worker training, promoting entrepreneurial and/or technology-based companies. This proposal would allow for more flexibility in deploying state development resources, would reduce the administrative burden on the Department and shorten response time on projects. Simplifying the statutes governing WDF funds would allow the Department to be more creative in responding to a given company or to a larger issue.

## 2003-05 Budget Bill Statutory Language Drafting Request

- Topic: Streamlining the WDF statutes
- Tracking Code: BB0087
- SBO team: Environmental and Commercial Resources
- SBO analyst: Doug Percy
  - Phone: 266-1039
  - Email: doug.percy@doa.state.wi.us
- Agency acronym: Com.
- Agency number: 143



## STATUTORY CHANGES FOR THE 2005-2007 BIENNIAL BUDGET

Below is the prioritized list, by category, of the statutory changes that the Department is requesting to be included in the 2005-2007 biennial budget. More detailed drafting instructions, as necessary, will soon be provided to the state budget office analyst for submittal to the Legislative Reference Bureau.

### Priority

### Proposed Statutory Change

#### High

Streamlining the WDF Statutes. Current law defines three programs for which WDF funds can be used including: Technology Development, Customized Labor Training and Major Economic Development. The various statutorily defined programs each have their own restrictions and specifications for what factors to consider in awarding funds. The Department proposes to rewrite the statutes to define goals rather than programs. The statutes would be amended to eliminate references to certain programs, and would standardize reporting, eligibility and awarding criteria. Possible examples of goals would include: capital financing, worker training, promoting entrepreneurial and/or technology-based companies. This proposal would allow for more flexibility in deploying state development resources, would reduce the administrative burden on the Department and shorten response time on projects. Simplifying the statutes governing WDF funds would allow the Department to be more creative in responding to a given company or to a larger issue.

**MEMORANDUM**

**DATE:** October 19, 2004  
**TO:** John Stricker and Shelly Harkins  
Division of Business Development  
**FROM:** Landon Williams  
Bureau of Policy and Budget Development  
**SUBJECT:** STREAMLINING OF THE WDF STATUTORY LANGUAGE

**Background:** The current statutes define three programs for which WDF funds can be used including: Technology Development, Customized Labor Training and Major Economic Development. The various statutorily defined programs each have their own restrictions and specifications for what factors to consider in awarding funds. Documenting such factors generates much work, and each program now requires separate forms and contracts.

**Proposal:** Rewrite the statutes to define goals rather than programs. The statutes would be amended to eliminate references to certain programs, and would standardize reporting, eligibility and awarding criteria. Possible examples of goals would include: capital financing, worker training, promoting entrepreneurial and/or technology-based companies.

**Advantages:** This proposal would allow for more flexibility in deploying state development resources, would reduce the administrative burden on the Department and shorten response time on projects. Simplifying the statutes governing WDF funds would allow the Department to be more creative in responding to a given company or to a larger issue.

Proposed Language:

**Section 1.** 560.145 is repealed.

**Section 2.** 560.147 is repealed.

**Section 3.** 560.16 is repealed.

**Section 4.** 560.60 (1m), (1v), (10), (11), (13), (15), (17) and (18m) of the statutes are repealed.

560.60 (4) is repealed and recreated to read:

(4) "Eligible Recipient" means a governing body or a person who is eligible to receive a grant or loan.

560.60 (15) is repealed and recreated to read:

(15) "Small business" means a business with less than 100 employees, including employees of any subsidiary or affiliated organization.

*revolving loan fund capitalization*

*rapid response fund*

*employee ownership assistance*

*Biotech Brownfield job major proj. Pol. sub. small biz techn. tech-based N80*

560.60 (19) is created to read:

(19) "Eligible activities" are defined as capital financing, worker training, entrepreneurial development, assisting technology-based businesses, assisting urban or regional economic development, assisting companies at a foreign trade show or event and establishing revolving loan funds.

**Section 5.** 560.605 of the statutes is repealed and recreated to read:

**560.605 Grant and loan criteria; generally.** (1) The board ~~may/shall?~~ consider any of the following in determining whether to award a grant or loan under s. 560.61 upon the receipt and consideration of an application by an eligible recipient: for a project under ss. 560.62 to 560.66, if the board determines all of the following:

- ~~(a)~~ (a) The project serves a public purpose.
- ~~(b)~~ (b) The project will retain or increase employment in this state.
- ~~(c)~~ (c) The project may not ~~is not likely to~~ occur without the grant or loan.
- ~~(d)~~ (d) Financing is unavailable from any other source on reasonably equivalent terms.
- ~~(e)~~ (e) The amount of funds contributed to the project that are not provided by this state. Except as provided in s. 560.68 (6), the eligible recipient receiving the grant or loan will contribute, from funds not provided by this state, not less than 25% of the cost of the project.
- ~~(f)~~ (f) The project meets all criteria set forth in s. 560.62, 560.63, 560.65 or 560.66, whichever is appropriate.
- ~~(g)~~ (g) Funds from the grant or loan under s. 560.62, 560.63, 560.65 or 560.66 will not be used to pay overhead costs, except as allowed by the board provided in s. 560.65 (1m) (b), or to replace funds from any other source.
- ~~(h)~~ (h) The project will not displace any workers in this state.
- ~~(i)~~ (i) ~~The eligible recipient has not received a grant under s. 560.25.~~

~~(2)~~ (2) ~~The board may shall consider all of the following before awarding a grant or loan to an eligible recipient for a project under s. 560.62, 560.63 or 560.66:~~

- ~~(h)~~ (h) The extent to which the project will retain or increase employment in this state.
- ~~(i)~~ (i) The extent to which the project will contribute to the economic growth of this state and the well-being of the residents of this state.
- ~~(k)~~ (k) Whether the project will be located in an area of high unemployment or low average income.
- ~~(l)~~ (l) The financial soundness of the eligible recipient business.
- ~~(m)~~ (m) The intention of the eligible recipient to repay the grant or loan.
- ~~(n)~~ (n) Whether the project will be located in a targeted area.

~~(2m)~~ (2m) When considering whether a project under s. 560.62, 560.63 or 560.66 will be located in a targeted area, the board may shall consider all of the following:

- ~~(a)~~ (a) Whether the area has high unemployment.
- ~~(b)~~ (b) Whether the area has a low median household income.
- ~~(c)~~ (c) ~~Whether there is a high percentage of households in the area receiving aid to families with dependent children under s. 49.19.~~
- ~~(d)~~ (d) ~~Whether there has been a significant decline in the population in the area.~~
- ~~(e)~~ (e) ~~Whether property values in the area have been declining.~~
- ~~(f)~~ (f) Whether a significant number of workers in the area have been permanently laid off by their employers or whether public notice has been given by an employer of either a plant closing or a substantial reduction in work force that will result in a significant number of workers in the area being laid off permanently.
- ~~(g)~~ (g) Whether the area is designated as a development zone under s. 560.71 or as an enterprise development zone under s. 560.797.
- ~~(h)~~ (h) Any other factor the board considers to be an appropriate indicator of a targeted area.

~~(4)~~ (4) ~~The board shall give priority for grants or loans under this section to eligible recipients that certify that they use or will use techniques or processes that reduce or eliminate the use of ozone-depleting substances that are listed as class I substances under 42 USC 7671a.~~

~~(5) The board shall give more favorable terms on loans and grants awarded to projects that will be located in targeted areas than to loans and grants awarded to projects that will not be located in targeted areas.~~

~~(5m) The board shall give priority for grants or loans under this section to eligible recipients that certify that they give priority or will give priority in hiring employees to recipients of aid to families with dependent children under s. 49.19.~~

~~(6) The board shall give priority for grants or loans under this section for projects related to brownfields redevelopment.~~

**Section 6.** 560. 61 of the statutes is repealed and recreated to read:

**560.61 Wisconsin development fund. (1)** At the request of the board, the Department may make a grant or loan to an eligible recipient from the appropriations under s. 20.143 (1) (c) and (ie) for eligible activities defined under s. 560.60 (19).

*.68(1m)?* **(2)** The department shall identify the criteria for awarding a grant or loan under this section, including the types of projects that are eligible for funding and which types shall receive priority consideration for funding. *2m*

*.68(2m)* **(3)** The department shall establish conditions on a grant or loan made under this section, including matching contributions of at least 25-50% to be provided by the grant or loan recipient, and maximum award size for recipients. *6*

*.68(5)* **(4)** The department shall establish procedures for a person to apply for a grant or loan under this section and for the department to evaluate and award a grant or loan under this section.

**Section 7.** 560.62, 560.63, 560.65 and 560.66 of the statutes are repealed.

560.68 (3) is repealed and recreated to read:

**(3)** The Department may charge a grant or loan recipient an origination fee of up to 2% of the grant or loan amount if the grant or loan equals or exceeds \$200,000. The Department shall deposit all origination fees collected under this subsection in the appropriation account under s. 20.143 (1) (gm).

560.68 (7) (a) is repealed and recreated to read:

**(7) (a)** Publish and disseminate information about the projects and the procedures for applying for grants and loans.

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DOA has given  
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Commerce

7-9382



State of Wisconsin  
2005 - 2006 LEGISLATURE

LRB-0774/P1

CTS: /.....

WLj

12/16

DOA:.....Percy, BB0087 - Streamlining the Wisconsin Development Fund  
FOR 2005-07 BUDGET -- NOT READY FOR INTRODUCTION ✓

In: 12/11/04  
D-note

DO NOT GEN

1 AN ACT ...; relating to: the budget. ✓

*Analysis by the Legislative Reference Bureau*  
COMMERCE AND ECONOMIC DEVELOPMENT ✓ the

ECONOMIC DEVELOPMENT

This bill changes the way the Department of Commerce (department) awards grants and loans from the Wisconsin development fund (WDF). Generally, the department is authorized under current law to make grants and loans from WDF to businesses and local governments for promoting economic development and creating and retaining jobs.

Under current law, the department may make a grant from the WDF to a person for capitalizing a revolving loan fund whose purpose is to promote local or regional economic development. The department may also make a "rapid response" loan to a person for the purchase of equipment or the purchase, renovation, or construction of a building. Further, the department may make a grant from the WDF to a business group to investigate the reorganization or new incorporation of an existing business as an employee-owned business. In addition, the department may make a grant from the WDF to a small business for preparing a proposal for a federal program. "Small business" is defined as a business operating for profit with 250 or fewer employees. Under current law, there are specific conditions and limitations that ~~limit~~ the department's authority to make a grant or loan for each of the purposes described above.

apply to

Current law also authorizes the department to make grants and loans from the WDF under the technology development, customized labor training, and major

at request  
the recommendation of the development finance board (board),

economic development programs. Under the technology development program, the board may award a grant or loan to a business or consortium for technical research intended to result in the development of, the initial commercialization of, or the improvement of an industrial product or process. Under the customized labor training program, the board may award a grant or loan to a business for labor training. Under the major economic development program, the board may award a grant or loan to a major economic development project that is not eligible for technology development or customized labor training grants or loans. "Major economic development project" is defined as a project that is necessary to retain or create a significant number of jobs in a political subdivision, will lead to significant capital investment in the state, or will make a significant contribution to the state's economy.

Under current law, there are specific conditions and limitations that <sup>apply to</sup> ~~limit~~ the department's authority to make a grant or loan under the technology development, customized labor training, and major economic development programs. These programs are also subject to a set of conditions and limitations that apply to all three. These conditions and limitations permit the board to award a grant or loan only if it has made certain determinations and considered certain factors. The board must determine that the project serves a public purpose, that the project is not likely to occur without a WDF grant or loan, and that the recipient will contribute at least 25% <sup>SP</sup> of the cost of the project from funds not provided by the state. The board must consider, among other factors, the extent to which the project will retain or increase employment in this state, the extent to which the project will contribute to the economic growth of this state, the financial soundness of the business, and whether the project will be located in a targeted area. Currently, the board decides whether a project will be located in a targeted area based on a number of considerations including an area's employment rate and median household income.

This bill eliminates the technology development, customized labor training, and major economic development programs, as well as the programs for revolving loan fund capitalization, rapid response loans, and employee ownership assistance. The bill authorizes the department, at the request of the board, to make a grant or loan of WDF funds <sup>SP</sup> to an eligible recipient for eligible activities. The bill defines "eligible recipient" as a governing body or person who is eligible to receive a grant or loan. Under the bill, "eligible activities" means any of the following: capital financing; worker training; entrepreneurial development; providing assistance to technology-based businesses or to businesses at a foreign trade show or event; promoting urban or regional development; and establishing revolving loan funds.

Under the bill, the board is required to consider a number of factors in deciding whether to award a WDF grant or loan, including whether the project serves a public purpose and whether the project might not occur without a WDF grant or loan. Under the bill, the board is not required to make any factual determinations in order to award a grant or loan. The bill eliminates certain factors from the board's consideration of whether a project will be located in a targeted area. The bill also eliminates priority requirements that currently apply to the technology development, customized labor training, and major economic development

- \* programs <sup>to</sup> the board is no longer required <sup>to</sup> (1) ~~to~~ give priority to grants or loans to recipients who use techniques that reduce or eliminate the use of ozone-depleting substances; (2) ~~to~~ give more favorable terms on grants and loans awarded to projects that will be located in targeted areas; (3) ~~to~~ give priority to grants or loans to recipients who will give hiring priority to recipients of aid to families with dependent children; or (4) ~~to~~ give priority <sup>for</sup> grants and loans for projects related to brownfields redevelopment. en dash

The bill requires the department to establish conditions for WDF grants and loans, including maximum award amounts and a matching requirement of 25 ~~to~~ 50%. The bill also changes the definition of "small business," for purposes of WDF grants for preparing the federal program proposals, to mean a business with fewer than 100 employees. 5p

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

***The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:***

SECTION 1. 20.143 (1) (c) <sup>✓</sup> of the statutes is amended to read:

20.143 (1) (c) *Wisconsin development fund; grants, loans, reimbursements, and assistance.* Biennially, the amounts in the schedule for grants under ss. 560.145, 560.16, <sup>✓</sup> 560.175, and 560.26; for grants and loans under ss. 560.62, 560.63, and 560.66; for loans under s. 560.147; s. 560.61 <sup>✓</sup> subch. V of ch. 560; for reimbursements under s. 560.167; for providing assistance under s. 560.06; for the costs specified in s. 560.607; for the loan under 1999 Wisconsin Act 9, section 9110 (4); for the grants under 1995 Wisconsin Act 27, section 9116 (7gg), 1995 Wisconsin Act 119, section 2 (1), 1997 Wisconsin Act 27, section 9110 (6g), 1999 Wisconsin Act 9, section 9110 (5), and 2003 Wisconsin Act 33, section 9109 (1d) and (2q); and for providing up to \$100,000 annually for the continued development of a manufacturing and advanced technology training center in Racine. Of the amounts in the schedule, \$50,000 shall be allocated in each of fiscal years 1997-98 and 1998-99 for providing the assistance under s. 560.06 (1). Notwithstanding s. 560.607, of the amounts in the schedule,



- 1 ~~\$125,000 shall be allocated in each of 4 consecutive fiscal years, beginning with fiscal~~  
 2 ~~year 1998-99, for grants and loans under s. 560.62 (1) (a).~~

**History:** 1979 c. 361; 1981 c. 20, 21, 349; 1983 a. 27, 83, 192, 381; 1985 a. 29 ss. 169 to 204, 3202 (14); 1985 a. 120, 332, 334; 1987 a. 27, 109, 317, 318, 399, 403; 1989 a. 31, 185, 237, 317, 325, 335, 336, 342, 359; 1991 a. 39, 259, 261, 269, 315; 1993 a. 5, 16, 75, 110, 232, 437; 1995 a. 27 ss. 483, 505 to 517, 608s, 609g, 609j, 964, 965, 977, 987, 988, 990 to 993, 1080b, 1085b, 1086b, 9116 (5); 1995 a. 116, 119, 216, 227; 1997 a. 9, 27, 35, 215, 237, 252, 310; 1999 a. 9, 84, 106, 185, 186; 2001 a. 16, 109; 2003 a. 33 ss. 292c to 297m, 593 to 600, 602 to 604; 2003 a. 255, 256.

\*\*\*\*NOTE: This SECTION involves a change in an appropriation that must be reflected in the revised schedule in s. 20.005, stats.

\*\*\*\*NOTE: I have eliminated the references in s. 20.143 (1) (c) to the spending authorizations that will have expired by the beginning of fiscal <sup>year</sup> 2005. Please let me know if you have any questions.

- 3 **SECTION 2.** 20.143 (1) (cb) of the statutes is repealed.

<sup>3.</sup> 560.66, 2003 stats. \*\*\*\*NOTE: This SECTION involves a change in an appropriation that must be reflected in the revised schedule in s. 20.005, stats. ✓

**History:** 1979 c. 361; 1981 c. 20, 21, 349; 1983 a. 27, 83, 192, 381; 1985 a. 29 ss. 169 to 204, 3202 (14); 1985 a. 120, 332, 334; 1987 a. 27, 109, 317, 318, 399, 403; 1989 a. 31, 185, 237, 317, 325, 335, 336, 342, 359; 1991 a. 39, 259, 261, 269, 315; 1993 a. 5, 16, 75, 110, 232, 437; 1995 a. 27 ss. 483, 505 to 517, 608s, 609g, 609j, 964, 965, 977, 987, 988, 990 to 993, 1080b, 1085b, 1086b, 9116 (5); 1995 a. 116, 119, 216, 227; 1997 a. 9, 27, 35, 215, 237, 252, 310; 1999 a. 9, 84, 106, 185, 186; 2001 a. 16, 109; 2003 a. 33 ss. 292c to 297m, 593 to 600, 602 to 604; 2003 a. 255, 256.

- 4 **SECTION 3.** 20.143 (1) (ie) of the statutes is amended to read:

- 5 20.143 (1) (ie) *Wisconsin development fund, repayments.* All moneys received  
 6 in repayment of grants or loans under s. 560.085 (4) (b), 1985 stats., s. 560.147, 2003  
 7 stats., s. 560.16, 1995 stats., s. 560.165, 1993 stats., s. 560.62, 2003 stats., s. 560.63,  
 8 2003 stats., <sup>2</sup> subch. V of ch. 560 <sup>2 and</sup> except s. 560.65, 1989 Wisconsin Act 336, section 3015  
 9 (1m), 1989 Wisconsin Act 336, section 3015 (2m), 1989 Wisconsin Act 336, section  
 10 3015 (3gx), 1997 Wisconsin Act 27, section 9110 (7f), 1997 Wisconsin Act 310, section  
 11 2 (2d), and 1999 Wisconsin Act 9, section 9110 (4), to be used for grants and loans  
 12 under subch. V of ch. 560 <sup>1</sup> except s. 560.65, for loans under s. 560.147, for grants under  
 13 ss. 560.16 and s. 560.175, for assistance under s. 560.06 (2), for the loan under 1999  
 14 Wisconsin Act 9, section 9110 (4), for the grant under 2001 Wisconsin Act 16, section  
 15 9110 (7g), for the grants under 2003 Wisconsin Act 33, section 9109 (1d) and (2q), and  
 16 for reimbursements under s. 560.167.

**History:** 1979 c. 361; 1981 c. 20, 21, 349; 1983 a. 27, 83, 192, 381; 1985 a. 29 ss. 169 to 204, 3202 (14); 1985 a. 120, 332, 334; 1987 a. 27, 109, 317, 318, 399, 403; 1989 a. 31, 185, 237, 317, 325, 335, 336, 342, 359; 1991 a. 39, 259, 261, 269, 315; 1993 a. 5, 16, 75, 110, 232, 437; 1995 a. 27 ss. 483, 505 to 517, 608s, 609g, 609j, 964, 965, 977, 987, 988, 990 to 993, 1080b, 1085b, 1086b, 9116 (5); 1995 a. 116, 119, 216, 227; 1997 a. 9, 27, 35, 215, 237, 252, 310; 1999 a. 9, 84, 106, 185, 186; 2001 a. 16, 109; 2003 a. 33 ss. 292c to 297m, 593 to 600, 602 to 604; 2003 a. 255, 256.

- 17 **SECTION 4.** 84.185 (1) (ce) of the statutes is amended to read:

1 84.185 (1) (ce) "Job" has the meaning specified in s. ~~560.60 (10)~~ 560.17 (1) (bm). ✓

2 **History:** 1987 a. 27; 1989 a. 31; 1991 a. 39; 1993 a. 16; 1997 a. 237; 2001 a. 109.

2 **SECTION 5.** 84.185 (1) (cm) of the statutes is amended to read:

3 84.185 (1) (cm) "Political subdivision" ~~has the meaning specified in s. 560.60~~  
4 ~~(13)~~ means a county, city, town, or village.

5 **History:** 1987 a. 27; 1989 a. 31; 1991 a. 39; 1993 a. 16; 1997 a. 237; 2001 a. 109.

5 **SECTION 6.** 234.01 (4n) (a) 3m. e. of the statutes is amended to read:

6 234.01 (4n) (a) 3m. e. The facility is located in a targeted area, as determined  
7 by the authority after considering the factors set out in s. ~~560.605 (2m) (a) to (h)~~  
8 560.605 (2m) (a), (b), and (f) to (h). ✓

**History:** 1971 c. 287; 1975 c. 221, 421; 1977 c. 418, 447; 1979 c. 361 ss. 112, 113; 1981 c. 349; 1983 a. 81 ss. 2, 11; 1983 a. 83 ss. 5, 20; 1985 a. 29 ss. 2116, 3202 (14); 1985 a. 334; 1987 a. 27, 359; 1987 a. 403 s. 256; 1989 a. 281; 1989 a. 335 s. 89; 1991 a. 37, 221; 1995 a. 27, 227; 1997 a. 27; 1999 a. 150 s. 672; 2001 a. 104.

9 **SECTION 7.** 292.01 (1r) of the statutes is created to read:

10 292.01 (1r) "Brownfields" means abandoned, idle, or underused industrial or  
11 commercial facilities, the expansion or redevelopment of which is adversely affected  
12 by actual or perceived environmental contamination.

13 **SECTION 8.** 292.11 (7) (d) 1m. b. of the statutes is amended to read:

14 292.11 (7) (d) 1m. b. An area designated by the local governmental unit if the  
15 area consists of 2 or more properties affected by a contiguous region of groundwater  
16 contamination or contains 2 or more properties that are brownfields, ~~as defined in~~  
17 ~~s. 560.60 (1v).~~

**History:** 1995 a. 227 ss. 700, 703 to 707, 710, 993; 1997 a. 27, 35; 1999 a. 9; 1999 a. 150 s. 672; 2001 a. 16, 30.

18 **SECTION 9.** 292.255 of the statutes is amended to read:

19 **292.255 Report on brownfield efforts.** The department of natural  
20 resources, the department of administration, and the department of commerce shall  
21 submit a report evaluating the effectiveness of this state's efforts to remedy the  
22 contamination of, and to redevelop, brownfields, ~~as defined in s. 560.60 (1v).~~

**History:** 1999 a. 9, 84.

23 **SECTION 10.** 560.045 (1) of the statutes is amended to read:

1           560.045 (1) To the extent allowed under federal law or regulation, the  
2           department shall give priority in the awarding of grants under housing programs to  
3           grants for projects related to the redevelopment of brownfields, as defined in s.  
4           ~~560.60 (1v)~~ 292.01 (1r).

History: 1991 a. 39; 1997 a. 27; 1999 a. 9; 2003 a. 33.

5           **SECTION 11.** 560.135 (5) (a) of the statutes is amended to read:

6           560.135 (5) (a) The factors under s. 560.605 ~~(2) (a) to (e)~~ (1) (j) to (n).

→ **INSERT 6-6**

History: 1997 a. 27.

7           **SECTION 12.** 560.14 (1) (ar) of the statutes is amended to read:

8           560.14 (1) (ar) "Brownfields" has the meaning given in s. ~~560.60 (1v)~~ 292.01  
9           (1r).

History: 1989 a. 31; 1993 a. 16 ss. 3374 to 3408, ~~3464~~, 3465; 1995 a. 27 ss. 6895d to 6895dr, 9126 (19); 1995 a. 289; 1997 a. 27; 1999 a. 9.

10          **SECTION 13.** 560.145 of the statutes is repealed.

11          **SECTION 14.** 560.147 of the statutes is repealed.

12          **SECTION 15.** 560.15 (2) (d) of the statutes is repealed.

13          **SECTION 16.** 560.16 of the statutes is repealed.

14          **SECTION 17.** 560.17 (1) (am) of the statutes is amended to read:

15          560.17 (1) (am) "Brownfields" has the meaning given in s. ~~560.60 (1v)~~ 292.01  
16          (1r).

History: 1989 a. 31, 359; 1993 a. 16; 1995 a. 27; 1997 a. 27, 237; 1999 a. 9; 2001 a. 16; 2001 a. 109 ss. 475, 484.

17          **SECTION 18.** 560.17 (1) (bm) of the statutes is amended to read:

18          560.17 (1) (bm) "Job" ~~has the meaning given in s. 560.60 (10)~~ means a position  
19          providing full-time equivalent employment. "Job" does not include initial training  
20          before an employment position begins.

History: 1989 a. 31, 359; 1993 a. 16; 1995 a. 27; 1997 a. 27/237; 1999 a. 9; 2001 a. 16; 2001 a. 109 ss. 475, 484.

21          **SECTION 19.** 560.60 (1m) of the statutes is repealed.

22          **SECTION 20.** 560.60 (1v) of the statutes is repealed.

23          **SECTION 21.** 560.60 (3) of the statutes is repealed.

1           **SECTION 22.** 560.60 (3m) of the statutes is created to read:

2           560.60 (3m) "Eligible activities" means any of the following:

3           (a) Capital financing.

4           (b) Worker training.

5           (c) Entrepreneurial development.

6           (d) Providing assistance to technology-based businesses or to businesses at a  
7 foreign trade show or event.

8           (e) Promoting urban or regional economic development.

9           (f) Establishing revolving loan funds.

10          **SECTION 23.** 560.60 (4) of the statutes is amended to read:

11          560.60 (4) "Eligible recipient" means a governing body or a person who is  
12 eligible to receive a grant or loan under s. 560.62, ~~a grant or loan under s. 560.63 or~~  
13 ~~a grant or loan under s. 560.65~~ 560.61.

History: 1987 a. 27, 399; 1989 a. 31; 1991 a. 39; 1993 a. 16, 232; 1995 a. 27, 201; 1997 a. 27, 79; 1999 a. 9; 1999 a. 150 s. 672.

14          **SECTION 24.** 560.60 (8) of the statutes is repealed.

15          **SECTION 25.** 560.60 (10) of the statutes is repealed.

16          **SECTION 26.** 560.60 (11) of the statutes is repealed.

17          **SECTION 27.** 560.60 (13) of the statutes is repealed.

18          **SECTION 28.** 560.60 (15) of the statutes is amended to read:

19          560.60 (15) "Small business" means a business ~~operating for profit~~, with 250  
20 or fewer than 100 employees, including employees of any subsidiary or affiliated  
21 organization.

History: 1987 a. 27, 399; 1989 a. 31; 1991 a. 39; 1993 a. 16, 232; 1995 a. 27, 201; 1997 a. 27, 79; 1999 a. 9; 1999 a. 150 s. 672.

22          **SECTION 29.** 560.60 (17) of the statutes is repealed.

23          **SECTION 30.** 560.60 (18m) of the statutes is repealed.

24          **SECTION 31.** 560.605 (1) (intro.) of the statutes is amended to read:

1           560.605 (1) (intro.) ~~The~~ Upon receipt of an application by an eligible recipient,  
2       the board may consider any of the following in determining whether to award a grant  
3       or loan under s. 560.61 ~~upon the receipt and consideration of an application by an~~  
4       eligible recipient for a project under ss. 560.62 to 560.66, if the board determines all  
5       of the following:

History: 1987 a. 27, 399; 1989 a. 31, 335; 1991 a. 39, 269; 1993/a. 16, 75, 243; 1995 a. 27; 1997 a. 27, 237; 1999 a. 9.

6       **SECTION 32.** 560.605 (1) (a) of the statutes is amended to read:

7           560.605 (1) (a) ~~The~~ Whether the project serves a public purpose.

History: 1987 a. 27, 399; 1989 a. 31, 335; 1991 a. 39, 269; 1993/a. 16, 75, 243; 1995 a. 27; 1997 a. 27, 237; 1999 a. 9.

8       **SECTION 33.** 560.605 (1) (b) of the statutes is amended to read:

9           560.605 (1) (b) ~~The~~ Whether the project will retain or increase employment in  
10       this state.

History: 1987 a. 27, 399; 1989 a. 31, 335; 1991 a. 39, 269; 1993/a. 16, 75, 243; 1995 a. 27; 1997 a. 27, 237; 1999 a. 9.

11       **SECTION 34.** 560.605 (1) (c) of the statutes is amended to read:

12           560.605 (1) (c) ~~The~~ Whether the project is ~~not likely to~~ might not occur without  
13       the grant or loan.

History: 1987 a. 27, 399; 1989 a. 31, 335; 1991 a. 39, 269; 1993/a. 16, 75, 243; 1995 a. 27; 1997 a. 27, 237; 1999 a. 9.

14       **SECTION 35.** 560.605 (1) (d) of the statutes is amended to read:

15           560.605 (1) (d) ~~Financing~~ Whether financing is ~~unavailable~~ available from any  
16       other ~~another~~ source on reasonably equivalent terms.

History: 1987 a. 27, 399; 1989 a. 31, 335; 1991 a. 39, 269; 1993/a. 16, 75, 243; 1995 a. 27; 1997 a. 27, 237; 1999 a. 9.

17       **SECTION 36.** 560.605 (1) (e) of the statutes is amended to read:

18           560.605 (1) (e) ~~Except as provided in s. 560.68 (6), the eligible recipient~~  
19       receiving the grant or loan will contribute, from The extent to which the project will  
20       be financed with funds not provided by this state, ~~not less than 25% of the cost of the~~  
21       project.

History: 1987 a. 27, 399; 1989 a. 31, 335; 1991 a. 39, 269; 1993/a. 16, 75, 243; 1995 a. 27; 1997 a. 27, 237; 1999 a. 9.

22       **SECTION 37.** 560.605 (1) (f) of the statutes is repealed.

23       **SECTION 38.** 560.605 (1) (g) of the statutes is amended to read:

1           560.605 (1) (g) ~~Funds~~ Whether funds from the grant or loan ~~under s. 560.62,~~  
2           ~~560.63, 560.65 or 560.66~~ will be used to ~~pay overhead costs, except as provided in s.~~  
3           ~~560.65 (1m) (b), or to~~ replace funds from ~~any other~~ another source.

History: 1987 a. 27, 399; 1989 a. 31, 335; 1991 a. 39, 269; 1993 a. 16, 75, 243; 1995 a. 27; 1997 a. 27, 237; 1999 a. 9.

4           **SECTION 39.** 560.605 (1) (h) of the statutes is amended to read:

5           560.605 (1) (h) ~~The~~ Whether the project will ~~not~~ displace ~~any~~ workers in this  
6           state.

History: 1987 a. 27, 399; 1989 a. 31, 335; 1991 a. 39, 269; 1993 a. 16, 75, 243; 1995 a. 27; 1997 a. 27, 237; 1999 a. 9.

7           **SECTION 40.** 560.605 (1) (i) of the statutes is repealed.

History: 1987 a. 27, 399; 1989 a. 31, 335; 1991 a. 39, 269; 1993 a. 16, 75, 243; 1995 a. 27; 1997 a. 27, 237; 1999 a. 9.

8           **SECTION 41.** 560.605 (2) (intro.) of the statutes is repealed.

9           **SECTION 42.** 560.605 (2) (a) of the statutes is renumbered 560.605 (1) (j). ✓

10          **SECTION 43.** 560.605 (2) (b) of the statutes is renumbered 560.605 (1) (k). ✓

11          **SECTION 44.** 560.605 (2) (c) of the statutes is renumbered 560.605 (1) (L). ✓

12          **SECTION 45.** 560.605 (2) (d) of the statutes is renumbered 560.605 (1) (m) and

13          amended to read:

14          560.605 (1) (m) The financial soundness of the ~~business~~ eligible recipient.

History: 1987 a. 27, 399; 1989 a. 31, 335; 1991 a. 39, 269; 1993 a. 16, 75, 243; 1995 a. 27; 1997 a. 27, 237; 1999 a. 9.

15          **SECTION 46.** 560.605 (2) (e) of the statutes is renumbered 560.605 (1) (n) ✓ and

16          amended to read:

17          560.605 (1) (n) The intention of the eligible recipient to repay the ~~grant or~~ loan.

History: 1987 a. 27, 399; 1989 a. 31, 335; 1991 a. 39, 269; 1993 a. 16, 75, 243; 1995 a. 27; 1997 a. 27, 237; 1999 a. 9.

18          **SECTION 47.** 560.605 (2) (f) of the statutes is renumbered 560.605 (1) (o). ✓

19          **SECTION 48.** 560.605 (2m) (intro.) of the statutes is amended to read:

20          560.605 (2m) (intro.) When considering whether a project ~~under s. 560.62,~~

21          ~~560.63 or 560.66~~ will be located in a targeted area, the board ~~shall~~ may consider ~~all~~

22          any of the following:

History: 1987 a. 27, 399; 1989 a. 31, 335; 1991 a. 39, 269; 1993 a. 16, 75, 243; 1995 a. 27; 1997 a. 27, 237; 1999 a. 9.

23          **SECTION 49.** 560.605 (2m) (c) of the statutes is repealed.

1       **SECTION 50.** 560.605 (2m) (d) of the statutes is repealed.

2       **SECTION 51.** 560.605 (2m) (e) of the statutes is repealed.

3       **SECTION 52.** 560.605 (4) of the statutes is repealed.

4       **SECTION 53.** 560.605 (5) of the statutes is repealed.

5       **SECTION 54.** 560.605 (5m) of the statutes is repealed.

6       **SECTION 55.** 560.605 (6) of the statutes is repealed.

7       **SECTION 56.** 560.607 (1) of the statutes is repealed.

8       **SECTION 57.** 560.61 (intro.) of the statutes is repealed.

9       **SECTION 58.** 560.61 (1) of the statutes is renumbered 560.61 and amended to  
10 read:

11       **560.61** Make At the request of the board, the department may make a grant  
12 or loan to an eligible recipient for a project that meets the criteria for funding under  
13 s. 560.605 (1) and (2) and under s. 560.62, 560.63, 560.65 or 560.66, whichever is  
14 appropriate, from the appropriations under s. 20.143 (1) (c), (cb) and (ie) for eligible  
15 activities.

16       History: 1987 a. 27, 399; 1989 a. 31, 335; 1991 a. 39; 1993 a. 16, 75; 1995 a. 27, 417; 1997 a. 27; 1999 a. 9.

16       **SECTION 59.** 560.61 (3) of the statutes is repealed.

17       **SECTION 60.** 560.62 of the statutes is repealed.

18       **SECTION 61.** 560.63 of the statutes is repealed.

19       **SECTION 62.** 560.65 of the statutes is repealed.

20       **SECTION 63.** 560.66 of the statutes is repealed.

21       **SECTION 64.** 560.68 (1m) of the statutes is created to read:

22       560.68 (1m) The department shall establish criteria for the award of grants  
23 and loans under s. 560.61, including the maximum amount of a grant or loan, the

types of projects that are eligible for funding, and the types of eligible projects that will receive priority.

**SECTION 65.** 560.68 (2) of the statutes is repealed.

**SECTION 66.** 560.68 (2m) of the statutes is created to read:

560.68 (2m) The department shall determine conditions applicable to a grant or loan under <sup>s.</sup> 560.61.

**SECTION 67.** 560.68 (3) of the statutes is amended to read:

560.68 (3) The department may charge a grant or loan recipient an origination fee of up to not more than 2 Percent of the grant or loan amount if the grant or loan equals or exceeds \$200,000 <sup>plan space</sup> ~~and is awarded under s. 560.63 or 560.66~~. The department shall deposit all origination fees collected under this subsection in the appropriation account under s. 20.143 (1) (gm).

History: 1987 a. 27; 1991 a. 39, 269; 1997 a. 27; 1999 a. 9.

**SECTION 68.** 560.68 (5) of the statutes is renumbered 560.68 (5) (intro.) and amended to read:

560.68 (5) (intro.) The department, with the approval of the board, shall develop procedures ~~to evaluate~~ related to grants and loans under s. 560.61 for all of the following:

(b) Evaluating applications, ~~monitor~~.

(c) Monitoring project performance ~~and audit~~.

(d) Auditing the grants and loans ~~awarded under this subchapter~~.

History: 1987 a. 27; 1991 a. 39, 269; 1997 a. 27; 1999 a. 9.

**SECTION 69.** 560.68 (5) (a) of the statutes is created to read:

560.68 (5) (a) Submitting applications for grants and loans.

**SECTION 70.** 560.68 (6m) of the statutes is created to read:



560.68 (6m) The department shall require, as a condition of a grant or loan, that a recipient contribute to a project an amount that is not less than 25 percent <sup>and</sup> ~~but~~ <sup>nor</sup> ~~not~~ more than 50 percent of the amount of the grant or loan.

SECTION 71. 560.68 (7) (a) of the statutes is amended to read:

560.68 (7) (a) Publish and disseminate information about the projects under ss. 560.62 to 560.66 <sup>S.</sup> ~~that may be funded by a grant or loan under 560.61~~ and the <sup>S.</sup> ~~about~~ procedures for applying for grants and loans under 560.61.

History: 1987 a. 27; 1991 a. 39, 269; 1997 a. 27; 1999 a. 9.

**SECTION 9308. Initial applicability; commerce.**

(1) WISCONSIN DEVELOPMENT FUND RESTRUCTURING. The treatment of sections 20.143 (1) (c), (cb), and (ie), 84.185 (1) (ce) and (cm), 243.01 (4n) (a) 3m. e., 292.01 (1r), 292.11 (7) (d) 1m. b., 292.255, 560.045 (1), 560.135 (5) (a), 560.14 (1) (ar), 560.145, 560.147, 560.15 (2) (d), 560.16, 560.17 (1) (am) and (bm), 560.60 (1m), (1v), (3), (3m), (4), (8), (10), (11), (13), (15), (17), and (18m), 560.605 (1) (intro.), (a), (b), (c), (d), (e), (f), (g), (h), and (i), (2) (intro), (a), (b), (c), (d), (e), and (f), (2m) (intro.), (c), (d), and (e), (4), (5), (5m), and (6), 560.607 (1), 560.61 (intro.), (1), and (3), 560.62, 560.63, 560.65, 560.66, 560.68 (1m), (2), (2m), (3), (6m) and (7) (a) of the statutes, the renumbering and amendment of section 560.68 (5) of the statutes, and the creation of section 560.68 (5) (a) of the statutes, first ~~applies~~ <sup>for grants and loans</sup> to applications received on the effective date of this subsection.

(END)

**DRAFTER'S NOTE  
FROM THE  
LEGISLATIVE REFERENCE BUREAU**

LRB-0774/P1dn

CTS:/:....

Wlj

Doug Percy:

This draft is based on the language suggested by Landon Williams. Please note the following questions and comments regarding this draft.

1. It was unclear whether the factors to be considered by the board under proposed s. 560.605 (1) were mandatory or permissive. This draft makes the factors permissive, i.e., the board may consider any of them. Is this correct? ✓

Note that s. 560.605 (1) (a), whether the project serves a public purpose, is now a permissive factor to be considered by the board. The public purpose doctrine would most likely prevent WDF funds from going to a project that did not serve a public purpose, so perhaps this factor should remain mandatory. On the other hand, the items that are identified as "eligible activities" are all easily defensible as public purposes, so a change may be unnecessary. Let me know if you want to discuss this further.

2. I have placed all of proposed <sup>s.</sup> 560.61 except proposed sub. (1) into s. 560.68 ("Administration"). Except for the language that authorizes grants and loans, proposed 560.61 seemed to pertain to, and overlap with, the administration provisions. Is this okay? ✓

3. Existing s. 560.68 (6) allows the board to "require that more than 25% of the cost of any project or category of projects be paid from funds not provided by this state." Landon's proposed s. 560.61 (3) (which I have placed at s. 560.68 (6m) in this draft) requires the department to mandate matching contributions of 25 to 50%. I have included both provisions in this draft, but I wonder if there might not be some overlap here. What exactly do you mean by "matching contribution"? Should it apply even when the applicant is a unit of local government? ✓

4. Some of the factors considered by the board under s. 560.605 (2m) are also considerations for mining economic development grants and for WHEDA loans. The changes in this draft to s. 560.605 (2m) will affect WHEDA. The determination as to whether a facility for the retail sale of goods is located in a targeted area will no longer be based upon consideration of (1) the percentage of households receiving AFDC; (2) a significant decline in the area's population; or (3) a decline in area property values. Let me know if this is a problem.

Christopher T. Sundberg  
Legislative Attorney  
Phone: (608) 266-9739  
E-mail: christopher.sundberg@legis.state.wi.us

# INSERT 6-6

421.203(1)

(1) Consumer credit transactions, not governed by ch. 428, which are made, insured or guaranteed by the federal government or any agency thereof, or by any federal instrumentality chartered under the federal farm credit act of 1971 (P.L. 92-181; 85 stats. 583; 12 USC 2001 et seq.), or by the department of veteran's affairs shall be subject to only those provisions set forth in sub. (2).

AM; 560.135(5)(b)

(b) Whether the project will be located in a targeted area, as determined by the board after considering the factors under s. 560.605 ~~(2m)~~ (a) to (h).

560.135 (5) <sup>(B)</sup>

(2m) (a), (b), and (F) to (h)

**DRAFTER'S NOTE**  
**FROM THE**  
**LEGISLATIVE REFERENCE BUREAU**

LRB-0774/P1dn  
CTS:wlj:rs

December 16, 2004

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Christopher T. Sundberg  
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Phone: (608) 266-9739  
E-mail: christopher.sundberg@legis.state.wi.us

12/22/04

WDF redraft instructions

- per Doug Percy

- ✓ 1. 20.143 (1) (c) and (ie): do **not** fix expired references.
- ✓ 2. Do not create 292.01 (1r) definition of brownfield. Change references to 292.01 (1r) to 560.13 (1) (a).
- ✓ 3. Repeal 560.175 and 560.26 (Urban early planning and WI procurement institute), but check draft WDF language to make sure entrepreneurial development under UEP would be an eligible activity. ✓ propose 560.60 (3m) (c)
- ✓ 4. Section 23: Add (g): providing rapid response loans? 560.68 (5) (d)  
Review language of current RR provision; maybe RR belongs somewhere other than "eligible activities" in the new draft?
- 5. Section 37: Use proposed language about "amount of funds"? Leave unchanged?  
Perhaps "proportion of project funding that will not be provided by this state"?
- ✓ 6. Section 47: leave "grant or" unstricken (so it's not a renumber and amend, just a renumber).
- ✓ 7. Section 57: Don't repeal 560.607 (1); just amend striking "under s. 560.62"
- ✓ 8. Section 65: delete "the maximum amount of a grant or loan,"
- ✓ 9. Section 66: Don't repeal 560.68 (2).
- 10. Current 560.68 (5m): gives dept auth to make rules. Does dept retain rulemaking auth under draft? What effect, if any, on existing rules?

560.68 (5m) remains intact

1/8/05 Doug Percy:

fix WHEDA x-ref so no  
change to WHEDA

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